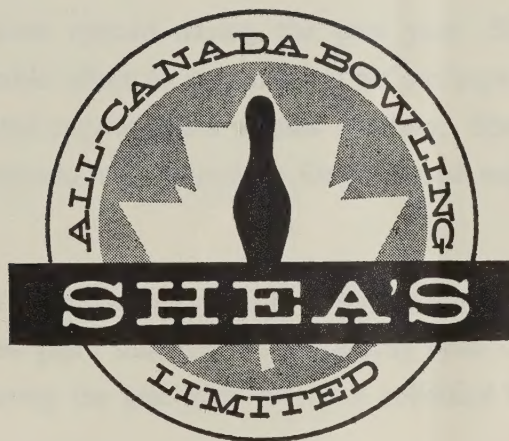


REPORT OF THE DIRECTORS



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ALL-CANADA BOWLING LIMITED**annual report**

1963

REPORT OF THE DIRECTORS

October 18, 1963.

TO THE SHAREHOLDERS:

The financial statement of the Company for the fiscal year ended May 5, 1963, is attached hereto. It discloses the results of the second year's operation of the Company.

Two new centres were opened during the past year. Shea's Parklane, Fort Erie, Ontario, required considerable effort to organize but we are hopeful that next season's operation should show substantial improvement at this location. Shea's North Bathurst Lanes had a very successful first season and indications for increased volume for next fall are very encouraging.

Overall bookings of league bowling for next season show increases in excess of 15% over the previous year. New plans initiated for promoting open bowling give indications for increased participation. During the past year we have solidified our position at the various locations.

There is considerable increased activity in the program of the Ontario Bowling Proprietors Association which should be of direct benefit to the Company's operation. Your president is an active officer in this organization of the industry.

As active executive officer of your Company, I want personally to express, on behalf of the Board of Directors and the shareholders, my deep appreciation to our employees for their loyalty and dedication to the Company's welfare.

Respectfully submitted,

(signed) LOUIS DETSKY, *President.*

ALL - CANADA B*and its wholly own***CONSOLIDATED****A S S E T S**

CURRENT ASSETS	May 5, 1963	May 6, 1962
Cash on hand and in banks.....	\$ 21,452	\$ 8,393
Unexpired insurance and prepaid taxes.....	34,191	25,666
Prepaid expenses and sundry assets.....	27,934	21,178
Insurance claim receivable.....	—	96,995
	<u>\$ 83,577</u>	<u>\$ 152,232</u>
FIXED ASSETS — at cost (Note 2)		
Real estate	\$ 397,689	\$ 351,185
Bowling lanes and automatic pinsetters, air conditioning, leasehold improvements, furniture and equipment.....	2,754,431	2,274,636
	<u>\$ 3,152,120</u>	<u>\$ 2,625,821</u>
Less: Accumulated depreciation and amortization.....	190,373	—
	<u>\$ 2,961,747</u>	<u>\$ 2,625,821</u>
OTHER ASSETS		
Deferred finance charges on equipment (Note 3).....	\$ 417,004	\$ 370,231
Mortgage receivable — 7%, due October 24, 1972.....	24,500	—
Incorporation and organization costs.....	28,324	28,324
Deposit on bowling lanes and automatic pinsetters.....	—	31,262
	<u>\$ 469,828</u>	<u>\$ 429,817</u>
TOTAL ASSETS	<u>\$ 3,515,152</u>	<u>\$ 3,207,870</u>

Approved on behalf of the Board:

(signed) L. DETSKY, *Director*.(signed) D. B. GOODMAN, *Director*.

The accompanying notes are an integral part of this Statement and should be read in conjunction therewith.

BOWLING LIMITED

subsidiary company

BALANCE SHEETS

LIABILITIES

CURRENT LIABILITIES	May 5, 1963	May 6, 1962
Accounts payable and sundry liabilities.....	\$ 86,084	\$ 91,426
OTHER LIABILITIES		
Equipment obligations (Notes 3 and 4).....	\$ 2,010,980	\$ 1,736,568
Mortgages payable on real estate.....	237,330	127,330
	<u>\$ 2,248,310</u>	<u>\$ 1,863,898</u>
TOTAL LIABILITIES.....	<u>\$ 2,334,394</u>	<u>\$ 1,955,324</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK		
Authorized		
1,500,000 common shares, without par value.		
Issued and Fully Paid		
610,005 common shares.....	\$ 1,144,214	\$ 1,144,214
SURPLUS	36,544	108,332
	<u>\$ 1,180,758</u>	<u>\$ 1,252,546</u>
	<u>\$ 3,515,152</u>	<u>\$ 3,207,870</u>

AUDITORS' REPORT

We have examined the consolidated balance sheet of All-Canada Bowling Limited and its wholly owned subsidiary company as at May 5, 1963 and the consolidated statement of operations and surplus for the fifty-two weeks ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the attached consolidated balance sheet and related consolidated statement of operations and surplus present fairly the financial position of the Company and its wholly owned subsidiary as at May 5, 1963 and the results of their operations for the fifty-two weeks ended on that date in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Respectfully submitted,

(signed) NEWMAN, SHEAR & CO.,
Chartered Accountants.

Toronto, October 16, 1963.

ALL - CANADA BOWLING LIMITED

and its wholly owned subsidiary company

CONSOLIDATED STATEMENT OF OPERATIONS AND SURPLUS

	For the fifty-two weeks ended May 5, 1963	For the period from date of commencement (May 8, 1961) to May 6, 1962
Profit from operations before providing for the undernoted items.....	\$ 281,853	\$ 211,720
General and administrative expenses (Note 5).....	\$ 86,831	\$ 60,056
Mortgage interest expenses and amortization of finance charges (Note 3)	76,437	43,332
	<u>\$ 163,268</u>	<u>\$ 103,388</u>
Net operating profit (before depreciation and amortization of fixed assets)....	\$ 118,585	\$ 108,332
Depreciation and amortization of fixed assets (Note 2).....	190,373	—
Net profit (loss)	<u>(\$ 71,788)</u>	<u>\$ 108,332</u>
Surplus — May 7, 1962.....	108,332	
Surplus — May 5, 1963.....	<u>\$ 36,544</u>	

The accompanying notes are an integral part of this Statement and should be read in conjunction therewith.

ALL - CANADA BOWLING LIMITED

and its wholly owned subsidiary company

NOTES TO FINANCIAL STATEMENTS

AS AT MAY 5, 1963

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1. The financial statements of the parent company, All-Canada Bowling Limited, have been consolidated with that of its wholly owned subsidiary, All-Canada Leasing Limited.
 2. The Company has provided for depreciation of real estate and equipment on a straight-line basis over the estimated useful lives of the various assets. Leasehold improvements are amortized over the lease period.

Depreciation and amortization on fixed assets recorded in the accounts differs from that claimed for income tax purposes. Accordingly, the accumulated depreciation and amortization for income tax purposes exceeds the accumulated depreciation and amortization as shown on the attached financial statements by an amount of \$63,411.

3. Substantially, all of the equipment necessary to operate the bowling centres is acquired under conditional sales contracts involving payment schedules covering a period of one to nine years.

The finance charges included in the contract are set up in the related liability account at the time the equipment is recorded on the books and are amortized against operations over the term of each individual contract.

4. The Company and its subsidiary are obligated for periodic instalment payments on conditional sales contracts on bowling lanes, automatic pinsetters and sundry equipment. The indebtedness as at May 5, 1963 amounted to \$2,010,980 of which \$223,934 is due within one year after giving effect to a plan for revised instalment payments now being negotiated with Brunswick of Canada Limited.
5. The sum of \$12,375 was paid as remuneration to executive officers and directors.
6. Summary re commitment on leases:


(a) Number of leased locations in operation	8
(b) Number of leased bowling lanes in operation	200
(c) Minimum annual rental	\$147,933

The term of the leases excluding renewal options generally covers a period of twenty years.

EXECUTIVE OFFICES	1654 AVENUE ROAD, TORONTO 12, ONTARIO.	
DIRECTORS	LOUIS DETSKY	
	NATHAN PERLMUTTER	
	BARNEY SHEA	
	DAVID B. GOODMAN, Q.C.	
	NORMAN E. HARDY	
OFFICERS	LOUIS DETSKY	<i>President</i>
	NATHAN PERLMUTTER	<i>Vice-President</i>
	JOSEPH CUTLER	<i>Secretary-Treasurer</i>
MANAGING DIRECTOR	LOUIS DETSKY	
AUDITORS	NEWMAN, SHEAR & Co.	
	<i>Chartered Accountants</i>	Toronto
TRANSFER AGENT AND REGISTRAR	GUARANTY TRUST COMPANY OF CANADA	
	Toronto, Montreal, Winnipeg, Vancouver	

LIST OF BOWLING CENTRES

LOCATION	NUMBER OF BOWLING LANES
SHEA'S AVENUE BOWL — 1654 Avenue Road, Toronto 12, Ont.	30
SHEA'S PARKWAY — Victoria Park and Ellesmere, Parkway Plaza, Scarborough, Ont.	24
SHEA'S KENNEDY — 2300 Lawrence Avenue East, White Shield Plaza, Scarborough, Ont.	32
SHEA'S CEDARBRAE — 3495 Lawrence Avenue East, Cedarbrae Plaza, Scarborough, Ont.	32
SHEA'S PARKDALE — 1435 King Street West, Toronto, Ont.	12
SHEA'S HOPEDALE — 3rd Line and Rebecca, Hopedale Plaza, Oakville, Ont.	16
SHEA'S OAK-QUEEN — Queen Elizabeth and 7th Line, Oak-Queen Shopping Mall, Oakville, Ont.	20
SHEA'S REXDALE — 115 Rexdale Boulevard, Etobicoke, Ont.	32
SHEA'S NORTH BATHURST — 2788 Bathurst Street, Toronto, Ont.	32
SHEA'S PARKLANE — Garrison Road and Helena, Fort Erie, Ont.	24
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